

Campus Crest Communities, Inc.
Form 10-Q/A
June 23, 2014

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

FORM 10-Q/A

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
p ACT OF 1934**

For the quarterly period ended March 31, 2014

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE
o ACT OF 1934**

For the transition period from_____to

Commission file number: 001-34872

CAMPUS CREST COMMUNITIES, INC.

(Exact name of registrant as specified in its charter)

Maryland

27-2481988

(State or other jurisdiction of

(I.R.S. Employer

incorporation or organization) Identification No.)

2100 Rexford Road, Suite 414, Charlotte, NC 28211

(Address of principal executive offices) (Zip Code)

(704) 496-2500

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

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Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at May 8, 2014
Common Stock, \$0.01 par value per share	64,714,826 shares

Explanatory Note

This Amendment No. 1 to the Quarterly Report on Form 10-Q/A (“Amendment No. 1”) of Campus Crest Communities, Inc. (the “Company”) is being filed to amend the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2014, which was originally filed with the Securities and Exchange Commission (the “SEC”) on May 12, 2014 (the “Original Filing”) in order to disclose additional information regarding the Company’s investment in the Copper Beech Portfolio (the “CB Portfolio”). The additional disclosure relating to the Company’s investment in the CB Portfolio is included in “Part 1, Item 1. Financial Statements,” and “Part 1, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.” In addition, as required by Rule 12b-15 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), this Amendment No. 1 contains new certifications by our current principal executive officer and principal financial officer, filed as exhibits hereto under Part II, Item 6 hereof.

No other information included in the Original Filing has been amended. This Amendment No. 1 on Form 10-Q/A continues to describe conditions as of the date of the Original Filing and the disclosures contained herein have not been updated to reflect events that occurred at a later date.

For the convenience of the reader, this Amendment No. 1 restates in its entirety the Original Filing, although the Company is only providing additional disclosure relating to its investment in the CB Portfolio in Item 1 and Item 2.

CAMPUS CREST COMMUNITIES, INC.

FORM 10-Q

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PART I. FINANCIAL INFORMATION**ITEM 1. FINANCIAL STATEMENTS****CAMPUS CREST COMMUNITIES, INC.****CONDENSED CONSOLIDATED BALANCE SHEETS**

(In thousands, except per share data)
(Unaudited)

	March 31, 2014	December 31, 2013
ASSETS		
Investment in real estate, net:		
Student housing properties	\$750,936	\$ 716,285
Accumulated depreciation	(108,214)	(102,356)
Development in process	121,353	91,184
Investment in real estate, net	764,075	705,113
Investment in unconsolidated entities	359,301	324,838
Cash and cash equivalents	14,332	32,054
Restricted cash	20,768	32,636
Student receivables, net of allowance for doubtful accounts of \$921 and \$539, respectively	2,655	2,825
Cost and earnings in excess of construction billings	40,641	42,803
Other assets, net	49,128	42,410
Total assets	\$ 1,250,900	\$ 1,182,679
LIABILITIES AND EQUITY		
Liabilities:		
Mortgage and construction loans	\$223,746	\$ 205,531
Line of credit and other debt	265,300	207,952
Accounts payable and accrued expenses	65,394	62,448
Construction billings in excess of cost and earnings	168	600
Other liabilities	14,342	11,167
Total liabilities	568,950	487,698
Commitments and contingencies		
Equity:		
Preferred stock, \$0.01 par value, 50,000,000 shares authorized: 8.00% Series A Cumulative Redeemable Preferred Stock (liquidation preference \$25.00 per share), 6,100,000 shares issued and outstanding at March 31, 2014 and December 31, 2013	61	61

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Common stock, \$0.01 par value, 500,000,000 shares authorized, 64,487,562 and 64,502,430 shares issued and outstanding on March 31, 2014 and December 31, 2013, respectively	645	645
Additional common and preferred paid-in capital	774,573	773,896
Accumulated deficit and distributions	(96,772)	(84,143)
Accumulated other comprehensive loss	(1,070)	(71)
Total Campus Crest Communities, Inc. stockholders' equity	677,437	690,388
Noncontrolling interests	4,513	4,593
Total equity	681,950	694,981
Total liabilities and equity	\$ 1,250,900	\$ 1,182,679

See accompanying notes to consolidated financial statements.

CAMPUS CREST COMMUNITIES, INC.**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS****AND COMPREHENSIVE INCOME (LOSS)****(In thousands, except per share data)****(Unaudited)**

	Three Months Ended	
	March 31,	March 31,
	2014	2013
Revenues:		
Student housing rental	\$ 23,635	\$ 20,748
Student housing services	973	824
Development, construction and management services	7,436	11,427
Total revenues	32,044	32,999
Operating expenses:		
Student housing operations	10,613	9,690
Development, construction and management services	6,394	10,658
General and administrative	3,506	2,651
Transaction costs	585	385
Ground leases	117	54
Depreciation and amortization	6,980	5,678
Total operating expenses	28,195	29,116
Equity in earnings of unconsolidated entities	319	410
Operating income	4,168	4,293
Nonoperating income (expense):		
Interest expense	(3,376)	(2,884)
Other income	66	36
Total nonoperating expense, net	(3,310)	(2,848)
Net income before income tax benefit	858	1,445
Income tax benefit	190	452
Income from continuing operations	1,048	1,897
Income from discontinued operations	-	270
Net income	1,048	2,167
Dividends on preferred stock	3,050	1,150
Net income (loss) attributable to noncontrolling interests	(15)	11
Net income (loss) attributable to common stockholders	\$(1,987)	\$ 1,006
Per share data - basic and diluted		
Income (loss) from continuing operations attributable to common stockholders	\$(0.03)	\$ 0.01
Income from discontinued operations attributable to common shareholders	-	0.01
Net income (loss) per share attributable to common stockholders	\$(0.03)	\$ 0.02

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Weighted-average common shares outstanding:

Basic	64,495	46,156
Diluted	64,929	46,591

CAMPUS CREST COMMUNITIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

AND COMPREHENSIVE INCOME (LOSS) (CONTINUED)

(In thousands, except per share data)

(Unaudited)

Condensed consolidated statements of comprehensive income (loss):

Net income	\$1,048	\$2,167
Foreign currency translation	(992)	-
Change in fair value of interest rate derivatives	-	59
Comprehensive income attributable to common stockholders	56	2,226
Net income (loss) attributable to noncontrolling interests	(15)	11
Foreign currency translation and change in fair value of interest rate derivatives attributable to noncontrolling interest	7	-
Dividends on preferred stock	3,050	1,150
Comprehensive income (loss) attributable to common stockholders	\$(2,986)	\$1,065

See accompanying notes to consolidated financial statements.

CAMPUS CREST COMMUNITIES, INC.**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (DEFICIT)****(In thousands)****(Unaudited)**

	Campus Crest Communities, Inc. Stockholders' Equity								
	Series A	Additional	Additional	Accumulated	Other	Total	Noncontrolling	Total	
	Cumulative	Common	Preferred	and	Comprehensive	Stockholders'	Interests	Equity	
	Redeemable	Stock	Capital	Deficit and	Income (Loss)	Equity			
	Preferred	Stock	Capital	Distributions					
Balance at December 31, 2013	\$61	\$ 645	\$ 773,896	\$(84,143)	\$(71)	\$ 690,388	\$ 4,593	\$694,981	
Amortization of restricted stock awards and operating partnership units	-	-	677	-	-	677	-	677	
Dividends on preferred stock	-	-	-	(3,050)	-	(3,050)	-	(3,050)	
Dividends on common stock	-	-	-	(10,642)	-	(10,642)	-	(10,642)	
Dividends to noncontrolling interests	-	-	-	-	-	-	(72)	(72)	
Foreign currency translation	-	-	-	-	(999)	(999)	7	(992)	
Net income	-	-	-	1,063	-	1,063	(15)	1,048	
Balance at March 31, 2014	\$61	\$ 645	\$ 774,573	\$(96,772)	\$(1,070)	\$ 677,437	\$ 4,513	\$681,950	

See accompanying notes to condensed consolidated financial statements.

CAMPUS CREST COMMUNITIES, INC.**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS****(In thousands)****(Unaudited)**

	Three Months Ended March 31, March 31, 2014 2013	
Operating activities:		
Net income	\$ 1,048	\$ 2,167
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	6,980	5,678
Depreciation included in discontinued operations	-	761
Amortization of deferred financing costs and debt discount	665	358
Provision for bad debts	403	343
Proceeds received for business interruption insurance	725	-
Equity in earnings of unconsolidated entities	(319)	(410)
Distributions of accumulated earnings from unconsolidated entities	-	85
Share-based compensation expense	677	576
Changes in operating assets and liabilities:		
Restricted cash	(216)	452
Student receivables	(396)	(48)
Construction billings	1,730	(2,929)
Accounts payable and accrued expenses	(6,657)	514
Other	(2,356)	(4,080)
Net cash provided by operating activities	2,284	3,467
Investing activities:		
Investments in development in process	(29,016)	(23,718)
Investments in student housing properties	(1,295)	(1,977)
Acquisition of student housing properties	-	(13,801)
Acquisition of previously unconsolidated entity, net of cash acquired	(7,661)	-
Investments in unconsolidated entities	(41,382)	(139,051)